



**STATE OF NEW JERSEY**

**Board of Public Utilities**

*Two Gateway Center  
Newark, NJ 07102*

**AUDITS**

**IN THE MATTER OF SOUTH JERSEY GAS)  
COMPANY'S GROSS RECEIPTS & )  
FRANCHISE TAX FOR THE PERIOD )  
JANUARY 1, 1991 – DECEMBER 31, 1997 )  
AUDIT NO. A-2867 )**

**ORDER**

**DOCKET NO. GA00020084**

(Service List Attached)

BY THE BOARD:

Pursuant to the New Jersey Board of Public Utilities' ("Board") Order, Docket No. ER97090656, dated December 16, 1998, et. al., the Board directed its Division of Audits, Bureau of Financial Audits ("Audit Staff" or "Staff"), to conduct an audit of South Jersey Gas Company's ("SJG" or "Company") recoveries from customers and payments to the State of New Jersey Division of Taxation, under the prior Gross Receipts and Franchise Taxes ("GR&FT") Laws – P. L. 1991, c. 184. This audit was initiated in accordance with the order in implementation of the Energy Tax Reform Act ("ETRA") P.L. 1997, c. 162. The audit scope encompassed the period January 1, 1991 through and including December 31, 1997.

For the audit period, the Company was found to have over-collected from customers, in the aggregate amount of \$1,044,415 (exclusive of interest).

Audit Staff and SJG have entered into a Letter of Understanding, dated January 20, 2000. It is agreed between the parties that the Company's over collection of GR&FT, in the aggregate \$1, 044,415 (exclusive of interest) will be returned to SJG's customers via a credit to SJG's newly created Market Development Credit (MDC), which was approved by the Board in SJG's Unbundling Stipulation, Docket No. GO99030125 dated January 10, 2000. The MDC balance will accrue interest at a rate equal to the Carrying Costs contained in paragraph 10 of the aforementioned Unbundling Stipulation.

Based upon the review of this matter, the Board HEREBY ACCEPTS and APPROVES the provisions of the Letter of Understanding between SJG and the Audit Staff as an appropriate resolution of the audit and incorporates the terms and conditions of the approved resolution as if fully set forth herein.

The Board HEREBY ORDERS South Jersey Gas Company to file, proof of compliance with this Order, with the Board's Division of Audits within two weeks of the date of this Order, whereupon this audit will be considered closed.

DATE: February 28, 2000

BOARD OF PUBLIC UTILITIES  
BY:

(Signed)

HERBERT H. TATE  
PRESIDENT

(Signed)

CARMEN J. ARMENTI  
COMMISSIONER

(Signed)

FREDERICK F. BUTLER  
COMMISSIONER

ATTEST:

(Signed)

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ACTING BOARD SECRETARY

**SERVICE LIST**

**(SOUTH JERSEY GAS COMPANY)**

David A. Kindlick, Senior Vice President - Finance & Rates  
South Jersey Gas Company  
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Folsom, NJ 08037

\*Walter P. Szymanski, Director, Division of Audits  
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